

TENNESSEE HOUSING DEVELOPMENT AGENCY
SUPPLEMENTARY INFORMATION
SUPPLEMENTARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004
(Expressed in Thousands)

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Single Family Mortgage Notes	Totals
Cash flows from operating activities:					
Receipts from customers	\$ 242	\$ 69,224	\$ 310,010	\$ -	\$ 379,476
Receipts from federal government	6,916	-	-	-	6,916
Receipts from other funds	36	-	14,404	1	14,441
Other miscellaneous receipts	2,077	311	1	-	2,389
Acquisition of mortgage loans	-	(46,482)	(226,752)	-	(273,234)
Payments to service mortgages	-	(851)	(4,284)	-	(5,135)
Payments to suppliers	(3,098)	(132)	(504)	(24)	(3,758)
Payments to federal government	-	-	(224)	-	(224)
Payments to other funds	-	(14,441)	-	-	(14,441)
Payments to employees	(9,029)	-	-	-	(9,029)
Net cash provided (used) by operating activities	(2,856)	7,629	92,651	(23)	97,401
Cash flows from non-capital financing activities:					
Operating grants received	145,575	-	-	-	145,575
Transfers in (out)	136	13,119	(13,426)	171	-
Negative cash balance implicitly financed (repaid)	2	(255)	683	-	430
Proceeds from sale of bonds	-	191,920	219,146	-	411,066
Proceeds from issuance of notes	-	-	-	334,085	334,085
Operating grants paid	(145,406)	(981)	(3,740)	-	(150,127)
Call premium paid	-	(3,053)	-	-	(3,053)
Advance on bond sale	-	-	1,000	-	1,000
Cost of issuance paid	-	(1,293)	(1,753)	(148)	(3,194)
Principal payments	-	(326,125)	(364,419)	(111,915)	(802,459)
Interest paid	-	(19,387)	(69,463)	(2,146)	(90,996)
Net cash provided (used) by non-capital financing activities	307	(146,055)	(231,972)	220,047	(157,673)
Cash flows from capital and related financing activities:					
Purchases of capital assets	(16)	-	-	-	(16)
Net cash used by capital and related financing activities	(16)	-	-	-	(16)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	156,809	244,507	-	401,316
Purchases of investments	-	(116,143)	(240,758)	-	(356,901)
Investment interest received	1	7,161	16,350	2,275	25,787
Net cash provided by investing activities	1	47,827	20,099	2,275	70,202
Net increase (decrease) in cash and cash equivalents	(2,564)	(90,599)	(119,222)	222,299	9,914
Cash and cash equivalents, July 1	5,185	104,003	206,099	51,096	366,383
Cash and cash equivalents, June 30	\$ 2,621	\$ 13,404	\$ 86,877	\$ 273,395	\$ 376,297

(continued)

TENNESSEE HOUSING DEVELOPMENT AGENCY
SUPPLEMENTARY INFORMATION
SUPPLEMENTARY STATEMENT OF CASH FLOWS (cont.)
FOR THE YEAR ENDED JUNE 30, 2004
(Expressed in Thousands)

	Operating Group	Mortgage Finance Program	Home- ownership Program Bonds	Single Family Mortgage Notes	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (642)	\$ 772	\$ (1,433)	\$ (158)	\$ (1,461)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization	-	104	460	108	672
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(569)	3,392	-	2,823
Decrease in mortgage interest receivable	-	303	441	-	744
Decrease in first mortgage loans receivable	-	6,149	3,104	-	9,253
(Increase) in due from federal government	(2,870)	-	-	-	(2,870)
Decrease in deferred charges	1	318	645	-	964
Decrease in other receivables	-	-	4	-	4
(Increase) in interfund receivables	-	(14,441)	-	-	(14,441)
Increase in interfund payables	36	-	14,404	1	14,441
Increase (decrease) in accounts payable	625	(352)	(177)	-	96
(Decrease) in accrued payroll / compensated absences	(47)	-	-	-	(47)
Increase in due to primary government	42	-	-	-	42
(Decrease) in deferred revenue	-	(45)	-	-	(45)
Increase in arbitrage rebate liability	-	1,606	2,202	25	3,833
Investment (income) loss included as operating revenue	(1)	(7)	2,350	(2,275)	67
Interest expense included as operating expense	-	13,791	67,259	2,276	83,326
Total adjustments	(2,214)	6,857	94,084	135	98,862
Net cash provided (used) by operating activities	\$ (2,856)	\$ 7,629	\$ 92,651	\$ (23)	\$ 97,401
Noncash investing, capital, and financing activities:					
Accretion of deep discount bonds	\$ -	\$ -	\$ 2,180	\$ -	\$ 2,180
Increase (decrease) in fair value of investments	-	(4,399)	(17,073)	128	(21,344)
Total noncash investing, capital, and financing activities	\$ -	\$ (4,399)	\$ (14,893)	\$ 128	\$ (19,164)